

I. SUMMARY

IREX has developed the following workplan for Year 3 of the Montenegro Independent Media Program (MIMP) under USAID Cooperative Agreement (CA No. 170-A-00-01-00102-00). IREX/MIMP requests **\$1,297,000** of funding for its operations in Montenegro from October 1, 2003, to July 15, 2004.

IREX's Year 3 Workplan is aligned with USAID's program objectives and offers a balanced program of training, consulting, and targeted grants to a core group of Montenegrin media outlets and associations. It places an emphasis on developing the skills and capacity of independent media necessary to:

- Provide citizens with balanced and unbiased news and information,
- Participate in democratic and free market institutions,
- Offer improved professional products, and
- Become financially sustainable.

In addition, special emphasis is also given to improve journalists' skills in covering gender affairs, conducting investigative journalism and reporting on business and economic issues.

Within the four intermediate results (IRs) for MIMP, IREX's work has concentrated on selected partners, including the Montenegrin Broadcasting Company (MBC), the Montenegro Media Institute (MMI), the weekly magazine *Monitor*, the Union of Independent Broadcast Media of Montenegro (UNEM), and the MINA News Agency, in order to promote a market-oriented democratic mindset.

According to international surveys conducted in 2002 on the media in Montenegro, the country's citizens have little trust in their newspapers, TV stations and radio stations. IREX has taken on the challenge of improving this situation by working hard with a critical mass of reform-minded media and institutions to turn the tide. As we begin MIMP's third and last year, the program's results to date suggest that the media is set to change from rearguard to vanguard:



The prime minister feeling the heat

- New media legislation has curbed politicians' influence over the media and allows for more media freedom;
- The former state broadcaster, the Radio and Television of Crna Gora (RTCG), is being transformed into a public service broadcaster accountable to the citizens;
- All municipal broadcasters formerly under political control or influence are changing to public service;
- The industry's self-regulatory body is in place to promote standards of excellence and deal with libel cases;
- The independent MINA news agency has successfully set a new agenda and tone for professionalism

- Print and broadcast media have shed light on scandals related to the trafficking of women and government corruption by offering well-sourced coverage illustrated with pictures that would have been unthinkable to publish/broadcast in the past;
- The public has positively reacted to the new professionalism by crediting the weekly *Monitor* with high marks and tuning in to independent radio in ever larger numbers;
- The Union of Independent Electronic Media (UNEM) has grown into a powerful 21-member organization that has driven the media legislation reform efforts and that has been instrumental in developing an independent TV network in cooperation with MBC;
- The private television station MBC has surpassed competitors since its re-launch in June 2002 and has gained trust and ratings by offering diverse, balanced and impartial news up to eight times daily – more than any other private station;
- The IREX/USAID Media Sustainability Index (MSI) 2002 has registered jumps in two key MIMP areas since its start in 2001: a 43 percent increase in media professionalism and an exceptional 64 percent rise in business/management activity and quality; in addition, ratings for free speech went up 24 percent (the new set of media laws had not yet been adopted when the MSI was

conducted), supporting associations improved by 26 percent and the plurality of news sources increased by 24 percent (see www.irex.org for more MSI details);

- The Montenegro Media Institute (MMI) has shaped a new generation of journalists, editors and media managers by teaching skills and imparting knowledge to approximately 500 media professionals through 53 seminars and workshops, including a six-month diploma course with international certification;
- Leaving old communist attitudes behind, all newspapers now offer dedicated daily business/economic pages to play their watchdog role in bringing down corruption, and help citizens identify opportunities in the free-market economy;
- The Albanian and Roma minorities in Montenegro have gained a stronger voice in the media.

II. STRATEGY

Building on this strong and diverse record, one of IREX's priorities must continue to be the implementation of media law reform. This will enable the advancement of the independent Broadcasting Agency's fair licensing procedures and - as a new element in the reform process - the transformation of RTCG from a government-controlled mouthpiece into a truly independent public service broadcaster.

In comparison to neighboring territories, the new broadcasting legislation in Montenegro provides unparalleled protection against undue influence by the state. Government and political party officials are deliberately excluded from membership in supervising bodies such as the Broadcasting Agency, the RTCG Council and the RCTG Managing Board. The newly appointed members of these bodies are dedicated to the public service transformation process.

Montenegro now has the opportunity to set an example for the rest of South East Europe and to influence developments in the region through its active membership in the European Broadcasting Union (EBU) - the largest association of public broadcasters in the world. Among its services and responsibilities, the association provides advice for members on policy and regulatory issues. The EBU has already taken an active interest in Montenegro -- the head of its legal department was part of the Council of Europe (CoE) delegation that approved the country's new media legislation.

Professionalism and the quality of journalism also remains a top challenge for IREX regardless of past successes. The imminent arrival of Serbian TV B92 in Montenegro will no doubt take the country's media closer to its proposed vanguard role, but it will also require most Montenegrin outlets to upgrade their editorial skills, conduct more investigative journalism, include more economic reporting, and develop clear business strategies that utilize planning and market research in order to face the tough competition.

More work also lies ahead on projects IREX has started with our core partners in an effort to leave behind strong supporting institutions and infrastructure:

- (1) a well-established MMI that prepares journalists to provide balanced and factual current affairs and economic news;
 - (2) an active and effective UNEM;
 - (3) sustainable media outlets that provide fair and balanced news such as MINA and MBC; and
 - (4) an appropriate legal and regulatory framework that supports freedom of the press and free speech.
- (source: USAID objectives FY2004 Program).

While IREX has produced very positive results in the media sector through MIMP, we would advocate for an extension of the program since a number of activities under MIMP either demand continued efforts (including MMI, MINA and UNEM) to make our work fully sustainable, or are new projects beginning in the final year of MIMP (new media laws such as free access to information and decriminalization of libel; RTCG restructuring project and B92 expansion into the Montenegrin market) but require more than one year of effort and support.



RTCG has taken its first steps to reform by implementing its part of the new set of media laws: a new RTCG Council and Managing Board are in place, and a fair and professional tender process for a director has resulted in the confirmation of the incumbent as the new Director General, as no applicants met the requirements or had the skills to fill the

vacancy.

In this workplan, IREX is seeking inclusion of further funding to help secure, accelerate and build on RTCG's public service transformation, which has been made possible through the media law reform that IREX supported and encouraged under MIMP. USAID has already made available a limited amount of additional funds for RTCG by amending the CA to allow IREX to assist in streamlining the organization to possibly serve as a model in Montenegro's institutional reform. IREX proposes to include the additional activity in this workplan as a new IR5: "RTCG transforms to public service and comprehensively educates and informs citizens on the country's reform process," on the basis of a Memorandum of Understanding between IREX/USAID and RTCG that sets up realistic goals and timelines.

RTCG covers the entire country while the private broadcasters concentrate for commercial reasons on the urban areas. RTCG's key influence (all surveys confirm it as the predominant station with 30% audience) is essential for the ongoing reform processes in Montenegro by providing a continuous forum for debate that will be available to the entire citizenry. All major social marketing campaigns such as environment protection, anti-smoking, anti-drugs, safe traffic, health, etc., are carried on RTCG. It currently has the biggest impact on changing mindsets, behaviors and beliefs of citizens of Montenegro. Also, implementation of crucial market reform is not possible without the general public's understanding of the issues, which can be achieved most easily through social marketing on RTCG.

The new RTCG Council has asked IREX to assist in the transformation process and our offer of consultation and advice on change management, reducing staff, and developing statutes and programming principles was well received. The transformation of RTCG is an important component of media reform in Montenegro and, with an extension of MIMP's mandate beyond July 2004, could serve as a model for the restructuring of other parts of the inflated Montenegrin administration to properly mirror the republic's size.



Through Belgrade-based TV B92's footprint expansion into Montenegro, the next year will also offer an opportunity to introduce an important additional news source to Montenegro that will enrich unbiased reporting. The central aim of the B92 expansion project is to fill the gap in the information flow between Serbia and Montenegro, still technically one country. B92's reputation for independent and unbiased news production will be of key importance in this process. The station says it expects to help diffuse possible tension in and between the two entities. Several Montenegrin outlets welcome this expansion, anticipating that B92's broadcasts will help increase the professional standards of Montenegro's broadcast media scene. B92 is currently waiting for the frequency tender process.

Development of Other Key Partners

Although IREX may assist outlets like the weeklies *Monitor* and (the Albanian-language) *Kronika*, the Association of Young Journalists (AYJ), M-Production and others, we propose to sharpen our focus on old allies in the quest to improve journalism in Montenegro.



Following its footprint expansion, the creation of a new set design and the introduction of programs like *Ksenija* and *Ekonometar*, MBC must work to boost its program schedule through local production and program purchasing in order to further increase trust and ratings, and to continue as the natural choice for program exchange with the newly registered northern TV network of five local stations.

To add to its program attraction, IREX will assist MBC with its plans to open a Belgrade bureau, which will allow for proper reporting on the Union of Serbia and Montenegro. MBC also proposes to open transmission windows for the northern network on its new transmitters. IREX will also work with MBC to improve its strategic management, emphasizing business/marketing and editorial management. This training is all the more important since MBC sacrificed its program director to help in the establishment of the new independent broadcasting regulator, the Broadcasting Agency. IREX will also consider providing assistance to guarantee that MBC has a minimum stock of spare parts for production and transmission equipment to ensure uninterrupted republic-wide transmission. *(This project should be extended beyond MIMP.)*



In the next year, MMI will begin to cooperate with the University of Montenegro, which has just started a facility to teach journalism within the Faculty of Law. IREX proposes to continue with support to MMI for a second diploma course following the success of the pilot project implemented with assistance from the Danish School of Journalism (DSJ).

On top of training in basic journalism skills and news writing, the need for specialization within the field has been identified as a key demand. Specialized training in new skills and techniques will offer the shrinking media market the talent that is most needed, including professionals in graphic design and layout. In order to support MMI's business drive its research activity must be further strengthened as well. MMI will also begin to organize competitions and award prizes for outstanding professionalism in various journalism topics/areas such as gender issues, business and economics or investigative reporting. *(This project must be extended.)*



MMI premises, Diploma Course participants



UNEM has positioned itself as key interlocutor in the media legislation process and will receive assistance for further activities to guarantee the successful implementation of laws recently adopted by the parliament as well as the drafting and acceptance of new legislation on anti-monopoly and access to information. After the closure of the government's Information Secretariat, UNEM is now the lead coordinator in the Working Group for the Implementation of Media Laws – with IREX being its international donor contact.

The decriminalization of libel is also high on the advocacy agenda, although recent developments suggest that attaining the shift from criminal to civil law will be an uphill struggle. It is essential that UNEM helps make the concept of media self regulation a success in order to prevent the government from introducing more stringent rules for tighter control. The purpose of the new organization (i.e., the media self-regulation body) is to avoid statutory regulation of ethical issues as was the wish of the state during negotiations on the new Media Law.

In addition to assistance for continuing marketing efforts, UNEM will also require financial support for their efforts to take the lead in providing a distribution mechanism for the new TV network with MBC and to provide training for members on copyright compliance. *(This project must be extended.)*



Montenegro's independent (and only) news agency intends to upgrade its stringer mission in Belgrade to a full text/audio/video office, and would like to make its distribution mechanism more secure, independent, and, eventually, profitable.

Currently, MINA relies on the only Internet service provider (ISP) in Montenegro, which is partly state-owned; the news agency plans to break away from this ISP and create its own ISP network that will offer attractive communications feeds to the international community and others in the country. The establishment of an independent ISP will ensure MINA has a secure distribution system for its news products and will provide a means of revenue for the news agency that will contribute to its financial viability.

MINA will also expand their news services for the business community – one new service will enable foreign investors to track new bills and laws in English –and upgrade its Albanian and other English-language products to generate more revenue. (*This project must be extended.*)

Top Reporting Issues

Through our media partners, other cooperative institutions such as the Center for Entrepreneurship and Economic Development (CEED), and training activities in general, IREX will address key issues such as investigative journalism, gender reporting and business/economic coverage to encourage journalists in their endeavor to reveal both positive and negative trends in Montenegrin society.

IREX will organize special training on investigative reporting and computer assisted reporting for



journalists from both Montenegrin and Serbian media outlets. IREX will also consider funding special reports on crime to be published in *Monitor*, and on large-scale corruption to be produced by M-Production for radio.

Gender issues will remain on MIMP's agenda for the next year and will focus not only on topics such as trafficking of women, but also on business career prospects and general female advancement in society and the economy. Due to its great success, the first women's magazine program *Ksenija* will continue air on MBC, with additional time slots added.

Reporting on business and the economy has seen a steady increase in the number of articles in the pages of the local press; *Vijesti* only recently added a weekly supplement to its two daily pages on trade and finance. CEED has proposed assistance for the Eko Club, a network of IREX-trained business journalists who hold key positions in the country's media. The organization also wants to help reporters understand statistics and has offered to assist top media managers with the development and implementation of business plans. IREX is also considering commissioning CEED for a study on media professionalism.

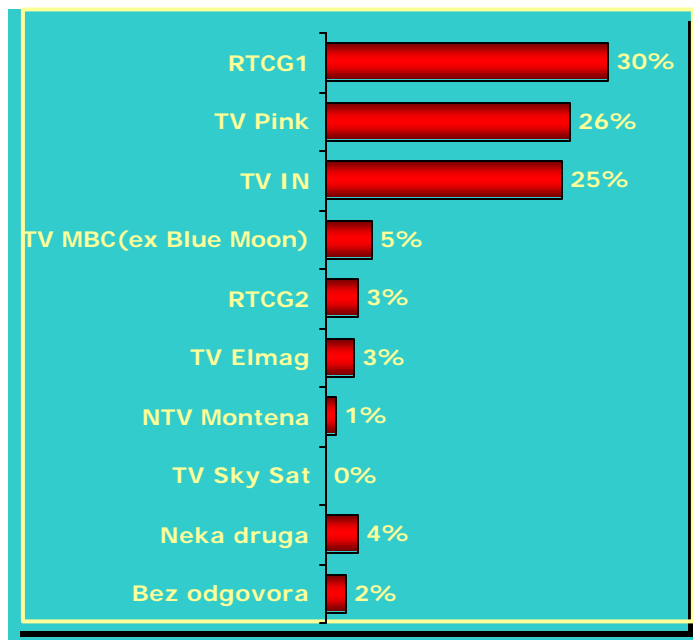
MBC and MINA will continue their co-production of *Ekonometar* and will place greater emphasis on the consumer's role in the market. MIMP activities will also focus on training journalists to produce higher quality business reporting geared toward providing readers/viewers/listeners with a better understanding of business and economic issues by using plain language and including illustrations.

Media Trends

Current trends in the Montenegrin media market are still controversial both economically and professionally. While new media laws have started to introduce rules and order, some anarchy still exists. In an already overcrowded market with 150 print and broadcast media, new outlets are still planning to open. A new regional television station, TV Vektra will emerge on the market by the end of 2003 and two television stations from Serbia, B92 and BK, are also expected to expand their operations to Montenegro. This will bring the total number of television stations to 17 in a country of 650,000 people with a poor economy.

Closing down, or what experts like to refer to as market consolidation, is expected to be the logical consequence of reduced revenue and advertisers tendency to place ads with highly-rated media. Although no media have been closed yet, a rapid drop in the ratings of some previously popular media confirm that market mechanisms are active and selection has started. Today, two groups of TV stations can be recognized, powerful stations and small stations.

State-owned TV Crne Gore is an incontestable leader in the market, closely followed by TV IN and Belgrade-based TV Pink. Together these three stations control more than 70% of audience. In the group of smaller TV stations, MBC is the only one that has managed to improve its ratings in the past year (see table below). The others, including previously important stations TV Montena and TV Elmag, have lost almost all of their significance. The prospects for smaller television broadcasters to stay in business are quite bleak and very soon owners will have to make a decision either to find a way to cooperate with other stations or to close down. The TV stations in the north have recognized the writing on the wall and have therefore registered as a network that is keen to exchange programs with MBC and use its footprint.



TV ratings August 2003

Source: IN TV/Strategic Marketing

During the past year, Montenegrin media finally reached the turning point where politics end and journalism begins. The exercise of media freedom was shocking for both politicians and the public. First of all, during the implementation of the new media laws, politicians began to recognize that they could not control the media anymore. Seizing on this window of opportunity, some influential media, led by the mass selling *Vijesti*, ended their obedience to politicians and started to question events and activities, finally beginning to serve as a watchdog in the public's best interest.

The Montenegrin public quickly realized what free media was all about and started to enjoy this newly acquired freedom. As a result, the media -- with rare exceptions like *Publika* with its small audience of Djukanovic faithful -- could no longer be relied upon as supporters of different political camps. Today, the media can more easily be differentiated according to their liberalism or conservatism, professionalism or lack of professionalism.

This new situation brings with it another challenge -- more media outlets must follow the example of *Vijesti*, *MINA*, *MBC*, *Antena M* and others to meet the responsibilities of a free press, i.e., providing

comprehensive and in-depth reporting. Unfortunately, to make quick and easy sales, some outlets including *Dan* keep focusing on sensationalism, which erodes quality reporting; this erosion combined with partisan favoritism prevents outlets from gaining badly needed credibility and makes them neglect their watchdog and educational role. However, in an encouraging development, some media have started raising awareness of the importance of media responsibility by improving their coverage and thus demonstrating that it is not enough to cover ideas and events in a superficial way – the media needs to dig deeper, put news in a wider context and explain its wider implications.

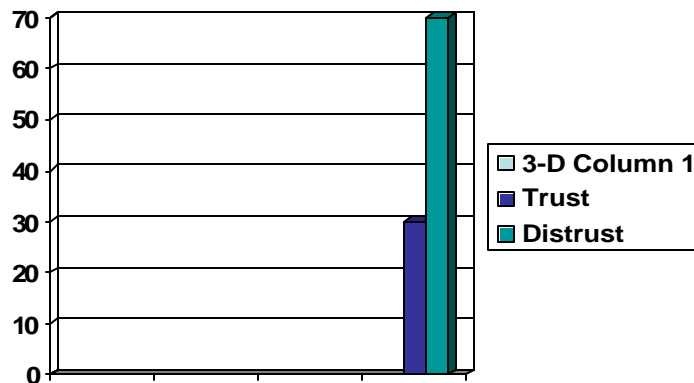
“By taking sensationalism and scandals as a lead, media just framed a picture of a defeated society. While in western countries papers that report false news need years for recovery, in our garden we have papers that in the same edition, even in the same article, publish information that clashes with the facts, logic, and even common sense. And every day, almost every day, we have that situation. Cheating is being sold as justice, spying as investigative journalism, and falsification as original. It is not true, but it is logic – it is how the authentic, Montenegrin motto of editorial policy sounds,” wrote *Vijesti* in a rare recent commentary.

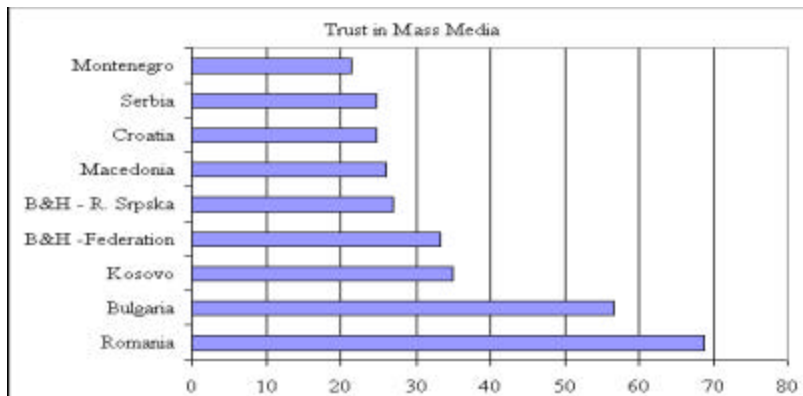
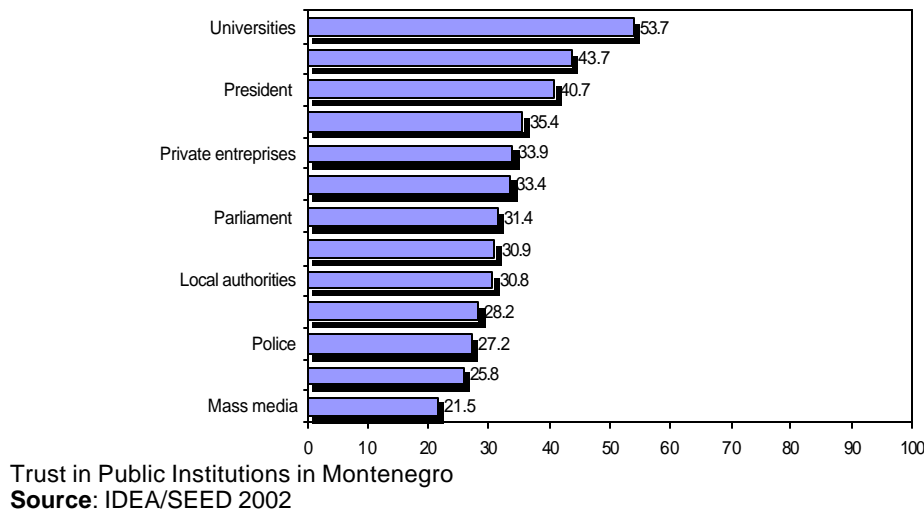
However, with the newly won room for maneuvering described above and a new generation of MMI-trained journalists, the old cadre of obedient media are facing difficult times. This is the positive trend on which MIMP must capitalize together with its key allies (e.g., MMI, MINA, MBC and UNEM) in the quest for quality through professionalism. If IREX is able to get its foot in the door of RTCG and can assist them in getting it right as well, then the media in Montenegro will rapidly improve and earn new trust from the public.

The charts below detail the results of opinion polls regarding public trust in the media (no data available for 2003 yet):

Strategig marketing survey , March 2002

Trust in mass media in Montenegro





III. CURRENT STATE OF MONTENEGRO

Contemporary Montenegrin society is still a hostage of unsolved crucial social and political problems related to the delayed transition. While elsewhere in the Balkans countries have been able to make changes and implement reforms that will lead them in the direction of EU ascension, Montenegro appears to many as an incomplete political community whose political elites have lacked the ability or desire to tackle difficult problems or make difficult decisions.

Despite the fact that the parliamentary elections held a year ago resulted in a stable majority -- the Coalition for European Montenegro -- the Prime Minister Milo Djukanovic has been unable to stabilize the country and the political and economic situation in Montenegro has become worse.

The hesitation of key political forces to conduct reforms and to resolve the statehood question resulted not only in the stagnation of the economy but also in the EU decision to require Montenegro to remain in a union with Serbia. Consequentially, Montenegro is now being forced to slowly give up many functions that it previously gained during the process of separation from the Milosevic regime in its initial move toward independence. A new trend carries with it the possibility that the "unworkable monster," as the temporary union was named, could actually become a permanent state. A referendum on the independence of Montenegro cannot be held until 2005 at the earliest, according to the Constitutional Charter of the Union.

Among citizens of Montenegro the issue of statehood and independence is no longer the number one issue. Having lived in poverty for years and having been forced to find different ways to survive, citizens now are more interested in finding jobs that will help them make ends meet and improve their lives. Years of living in a society in which it was possible to get by without actually working has left a negative heritage; most people are not ready to undertake entrepreneurial efforts and take advantage of opportunities available as a part of ongoing reforms. In fact, a majority of Montenegrin citizens do not believe in the process of reform. They want everything and they want it now and they do not have time to wait for the long-term positive effects of transition. The government now faces significant resistance in all circles of society. Pensioners, health workers, and police are all against reform as each segment has been negatively impacted by reform cuts.

In addition, the citizens' increased awareness of the country's crucial needs and the direction in which development should be heading has resulted in their general disappointment in the existing political forces, both governing and opposition parties, which have determined political life and the country's economic development for more than 12 years without significant success. Today more than 60% of the population does not trust the existing political parties and their leaders. The negative trend is that the public now closely identifies state institutions with the people who are in the top leadership positions, causing a serious lack of trust in key state institutions such as the parliament, the judiciary and others. This lack of trust is a reflection of two things – the opposition's effort to undermine state institutions, to show that Montenegro cannot function without foreign supervision (the opposition demands international monitoring of the upcoming census), and huge scandals in which high state officials are reported to have been involved.

Scandals are not new to Montenegro, however, the last two have shaken Montenegro to its core. The weekly publication *Monitor* published the testimony of a trafficked woman who stated that high state representatives have been involved in human trafficking. As a result of the story, the Deputy State Prosecutor was arrested and subsequently ousted from his position. The second scandal is threatening to take down Montenegrin Prime Minister Milo Djukanovic. Montenegrin media, led by MINA, have reported that a prosecutor in Naples will sue Djukanovic as one of the key figures in tobacco contraband.

Although Djukanovic is still the most popular politician in Montenegro by a small margin, his ratings are falling. He faces stiff competition from the executive director of the Group for Change, Nebojsa Medojevic. This NGO, a Montenegrin think-tank that has brought together mostly untarnished intellectuals, is offering to accept responsibility for the changes that Montenegro must undergo. According to the latest survey, on a scale from 1 to 5 points, Djukanovic received a rating of 2.79 while Medojevic commands 2.75. Medojevic is perceived as a rising star and his group is rated as the second strongest force in the Montenegrin political arena. Although it is too early to predict, the Group for Change may provide fresh blood for the desperately needed reforms in Montenegro.

IV. PROGRAM DESCRIPTION AND ACTIVITIES

INTERMEDIATE RESULT 1

Journalists Provide Citizens with Objective, Balanced and Fact-Based Information

Background: IR1 is arguably a crucial aspect of media development for it deals with the foundation of the journalism trade: professionalism. Without it libel is rife and trust is low. The old adage must be repeated: "Get it first but first get it right."

How does one get it right, particularly in a country that has no democratic tradition? Our answer was to find a critical mass of outlets and educate them about a set of acceptable trade values that has been successfully applied elsewhere. The critical mass of independent media outlets in Montenegro is led by MINA, MBC, *Monitor*, *Kronika*, Antena M and others that are dedicated to a policy of fair and honest

journalism, i.e., professionalism and quality; they inform the public about the democratic reform process but also scrutinize its implementation in the spirit of the media's traditional watchdog role.

In order to enable journalists to provide objective, balanced and fact-based information, IREX will continue to provide the necessary training and consulting. In addition to offering in-house training, consultancies by international/regional consultants, study tours, and participation in international and regional conferences, IREX will work with the Montenegrin Media Institute (see IR2 for more details) to organize a variety of training seminars and workshops. Although emphasis will be given to specialized training in certain topics, courses in self-operation and basic skills such as news writing, interviewing, editing, camera operation and lay-out will be offered as well.

IREX also proposes to improve professionalism through continued support and assistance to our key partners as detailed below. Special attention will be given to minority partners such as Albanian-speakers and Roma.

INTERMEDIATE RESULT 1 ACTIVITIES

1.1 Journalists follow accepted and Recognized Professional Standards

IREX training plans encompass four target areas: television, radio, print and news agency. IREX will outsource as much training as possible to MMI, its group of trainers and recognized international trainers.

1.1.1 Television Training

Although stations like MBC are making inroads in professional presentation of news and current affairs programs many producers and presenters are still lacking the advanced skills that can make their contribution excellent. IREX plans to conduct on-site training or classroom sessions in conjunction with MMI for producers, camera men and video editors on teamwork and TV packages that are both informative and concise; and seminars for presenters on how to present programs in terms of language used and teasing techniques to keep viewers watching longer. Additional training will be provided to MBC on parliamentary reporting and establishing and managing archives.

Emphasis will be on "self-op," or self-operation, a situation in which one person performs the job of two, e.g., a journalist performs certain technical functions as well. This self-op emphasis will be applied to both radio and TV training.

1.1.2 Radio Training

A Strategic Marketing survey has shown how UNEM's radio stations have improved as a result of IREX training. Additional training in customizing news, interviewing for radio, presenting and creating news packages, increasing self-op, and music formatting will enable stations to achieve greater success by cultivating brand loyalty and increasing time spent listening. Seminars and workshops will be carried out in-house at stations and at MMI.

MIMP staff also plans further training for Antena M in producing news in magazine format. IREX will support participation in the annual NAB conference in order to offer UNEM members insight into new techniques, technology and valuable program contacts.

1.1.3 Print Training

MIMP will support MMI training seminars and workshops and in particular its Diploma Course (including print journalism) that will deal with general news writing but also with specialized reporting in areas such as court proceedings, investigative journalism, business writing, formatting and lay-out, illustrating stories (including graphs, pictures, maps, tables).

1.1.4 News Agency Training

Through MMI, IREX will organize seminars on news writing and economic reporting for news agency staff. Through participation in the annual WAN conference, MINA will be able to keep in touch with new developments in the industry. MIMP also will train MINA reporters in covering the trials at the International Criminal Tribunal for the former Yugoslavia (ICTY) in The Hague.

1.1.5 General Journalism

Since research is of the essence in journalism, MIMP will offer training in computer assisted reporting (CAR) and Internet research through MMI. In order to gain better access to international information, MMI will also offer English-language courses designed specifically for journalists.

1.2 Independent Media Provide Comprehensive News and Public Affairs Coverage

1.2.1 Women's Issues

In just under a year IREX-supported media, especially *Monitor* and MBC, have succeeded in making outstanding achievements not only in the promotion of gender issues, but in bringing a new quality to their reporting. MBC, with assistance from M-Production, is fighting against the horrific stereotypes that tend to be supported by the majority of media -- women as fancy escorts for wealthy men whose only aim of existence is an easy life, women as consumer goods and "dolls," etc. -- through the new women's magazine program *Ksenija*, which seeks to address issues of importance to the average Montenegrin woman.

Feedback from audience surveys confirms that a wide variety of women from different cultural and socio-economic backgrounds find *Ksenija* interesting. Despite the fact that gender-related problems such as domestic violence and human trafficking will probably stay with us, future reporting on gender issues should also try to focus on the advancement of women -- to show the potential world of opportunities available, to encourage women to express themselves and to assist women in their efforts to gain control over their lives.

For *Monitor*, investigative stories on violence against women and human trafficking have been the magazine's focus. Its efforts have resulted in the revelation of the biggest sex trafficking affair to date and have led to the arrest of the Montenegrin Deputy State Prosecutor, thus catapulting Montenegro into the public eye and prompting closer scrutiny of government activities by the Organization for Security and Cooperation in Europe (OSCE) and the Council of Europe.

Through MIMP, IREX will award grants to MBC for the continued production of their *Ksenija* magazine, and to *Monitor* and Radio Antena M to make sure that violence against women continues to be exposed in the media. IREX also plans two seminars on how to address and report on gender issues.

1.2.2. Investigative Reporting

Crime and corruption have always seemed to go hand in hand with power, but countries in transition tend to have a higher prevalence of these problems. What differentiates Montenegro from other developed countries is that it lacks a mechanism for protecting against or preventing corruption. A recent poll from September 2003 indicates that citizens believe corruption to be most widespread among top politicians, followed by the customs service and the Attorney General's office. Thirty percent of people surveyed had personally experienced or observed some form of corruption.

MINA news agency and *Monitor*, as well as *Polje*, *Kronika* and Radio Skala, have successfully started to investigate corruption. Corruption has infested all layers of Montenegrin society and the general public seems to take much of it for granted, including the need to pay bribes to civil servants to obtain even the smallest of services. *Monitor* regularly features a section that deals exclusively with corruption, but journalists still need to look at higher levels -- at people in power and leadership positions in the

republican and municipal governments. Readers respect and appreciate these efforts and will purchase publications that offer investigative pieces.

IREX will continue to offer a small grants program to support projects focused on investigative reporting. Grants will be directed to media that are developing in-depth stories that require significant staff time or will be given to support the cost of research tools that will enable journalists to write more accurate stories. In evaluating grant proposals, MIMP staff will take into account the potential impact for sales or business development. Clients will be required to show how the supported activity is planned to increase sales, improve circulation, or develop an audience. MIMP also plans to support Radio Bussola's reporting on the trafficking in women and the smuggling of weapons and drugs, and M-Production's planned radio documentary series on top corruption cases in high office for broadcast on Antena M.

In addition, MIMP will coordinate with ProMedia Serbia to organize a seminar on investigative reporting techniques and has identified trainer Drew Sullivan to lead the session. A second joint training effort, potentially led by Suzi McClear, will tackle the trafficking of women from Albania (see UNEM IR2).

1.2.3 Economics, Business, and Privatization Reporting

The process of economic reforms in Montenegro is accelerating in line with the newly adopted Economic Reform Agenda. Numerous laws have been passed since the agenda was adopted in March 2003. The goal of these economic and institutional reforms is to create a business environment that stimulates entrepreneurship and conditions for economic growth led by the private sector.

Until recently, the Government of Montenegro (GoM) was focused mainly on creating an institutional framework, but now the reforms are in the crucial implementation phase. Therefore it is critical for the media to perform both its educational and watchdog roles to keep the public informed of economic and legal issues during the reform process.

The number of business stories on issues such as privatization and market reform has been increasing significantly in both print and broadcast media. Through its business and economic reporting seminars, IREX has helped Montenegrin business journalism gain ground and several trainees have been promoted to positions of editor or senior business reporter. At Vijesti, Montenegro's largest daily, one former IREX trainee is now the senior business journalist and has introduced a weekly supplement dedicated to business activities, economic issues, and stock market reports.

While the quantity of stories is on the rise, the quality of the business and economics reporting in Montenegro should be further improved to be more appealing to the public. According to the Survey on Business Environment, done by the European Union and the Center for Entrepreneurship and Economic Development (CEED), managers and workers do not feel sufficiently informed on business and economic matters. The main reason for this is assumed to be not a lack of sufficient information but rather a lack of simple and appealing writing styles to which the public can understand and relate. In an effort to assist with this situation, IREX intends to offer additional support to Montenegrin business journalists through advanced seminars in business and economics reporting and writing.

Now more than ever, journalists need a strong foundation of business and economic knowledge in order to provide better coverage of the reform process, business activities and economic developments. This training may be done in cooperation with other local partner organizations or USAID implementers such as BearingPoint, the Montenegrin Chamber of Commerce, CEED, Eko Club, FLAG International, American Management Association and others. The idea is for speakers from a variety of areas to educate journalists on different topics (reforms, how a free-market economic system works, economic indicators, ietc.).

The advanced training envisaged may be illustrated by the six-month training program organized in cooperation with the Eko Press Club that will be offered to all economic journalists from all Montenegrin media. Training sessions will be organized biweekly, and each will be delivered by different experts on topics such as the labor market, GDP, banking sector, capital market trade, budget expenditures, etc.

Other possible focus areas for business and economics reporting/writing training programs include international business (trade and global economics, global financial markets, the IMF and World Bank, etc.) and specific beats such technology, finance, policy issues, insurance and others.

IREX will provide a grant to MINA and MBC for the continued production of the business and economics program *Ekonometar*, with the aim of increasing the quality and quantity of episodes. In addition, IREX will support a small grants program to other media outlets for local production of programs that cover economic reforms and business issues. In an effort to encourage initiative and excellence in business writing, IREX will sponsor the second annual business-writing competition and award prizes to the top journalists as we did last year. This time, however, the top award winner may be invited to visit CNN, Bloomberg Media, the Wall Street Journal, or other leading US media organization.

1.3 Facilities and Equipment for Gathering, Producing, and Distributing News are Modern and Efficient

1.3.1 Development Support to Key Customers

a.) *MBC* – Having overcome the odds of a limited footprint, worn equipment, poor premises, lack of professional staff, a reputation as a cheap entertainment channel and stiff competition from powerful market entries TV IN and TV Pink, the Montenegrin Broadcasting Corporation (MBC) has climbed to the number four position in the rankings of the top TV channels in Montenegro, leaving behind competitors such as NTV Montena, TV Elmag, TV SkySat and even RTCG's second channel.

Since its relaunch in June 2002, MBC has become one of MIMP's biggest success stories. After only twenty months, the station has developed a completely new image and has gained the respect and trust of its audience. While top competitors keep tumbling in the ratings, MBC continues to gradually improve; viewers in this primarily partisan society appear to honor this station's professional, independent and objective news and current affairs coverage.



Quality Reporting - TV Stations in Montenegro

TV MBC

MBC TV made most significant progress of all last year and according to our calculation earned the highest score regarding balance of reporting. MBC would have definitely gained the highest overall quality score if it had not failed to cover political parties and candidates during the presidential election campaign, and if had better technical arrangements regarding studio and presentation of news programs. We definitely can state that MBC

- Offered the bigger number of news; and
- Almost fully balanced reporting about government and political parties;
- Received in this area a score of **2.9** (the highest awarded in the entire survey, edit.)

General score of this station: **2**

Scores for comparison

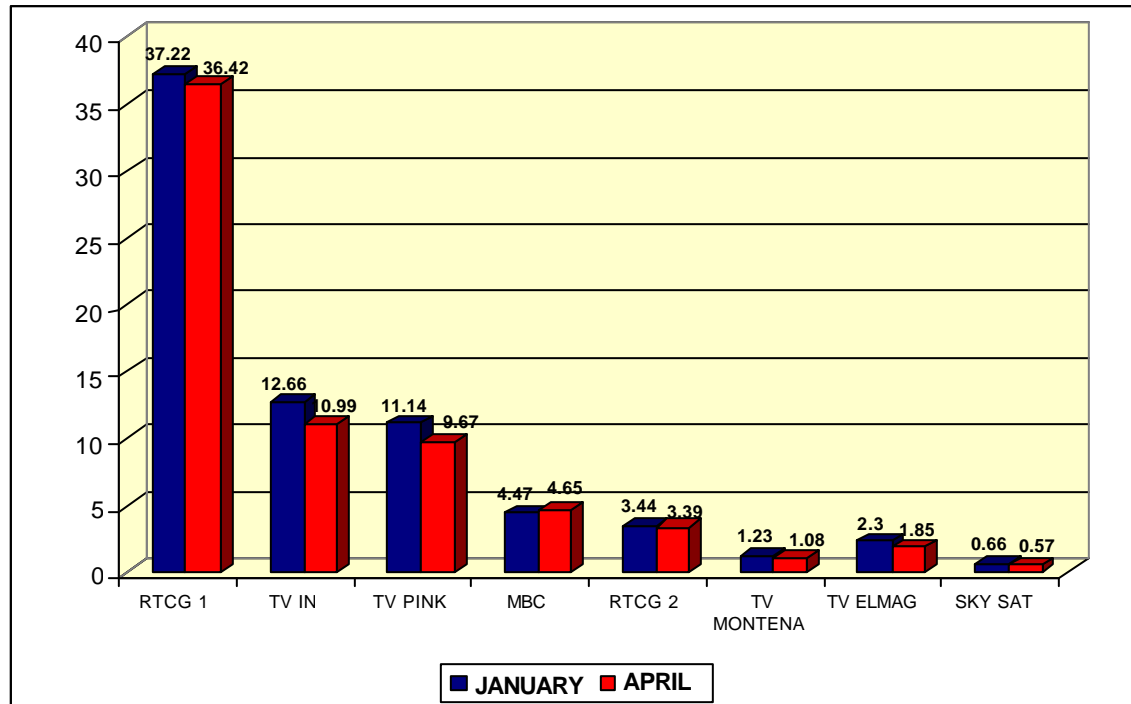
Montena: 1.8-2.1; Pink: 1.4; TV IN: 2.2-1.8; RTCG: 1.8

With its expanded footprint in northern Montenegro, MBC expects to reach some 90 percent of the market leaving only the Plav, Zabljak, Plujene and Rozaje areas uncovered by its signal. The northern presence

will bring independent news to this neglected part of Montenegro, which to date could only receive RTCG, IN and Pink. MBC is seeking to cooperate with five local TV stations by exchanging their news and current affairs programming and input. These five stations – TV Orion, TV Panorama, TV Echo, APR TV and TV Plav – have recently registered as a television network after receiving IREX consulting through UNEM.

MBC introduced a new logo and other graphic designs in September 2003 that will help raise the station's profile, and will conduct a substantial PR campaign designed to boost republic-wide awareness.

MBC is not yet where it belongs and sustaining the quality of its news reporting is eating into funds. The northern expansion will bring highly welcome additional advertising revenue. To add to program attraction, MBC plans to open a Belgrade office in order to increase reporting on the Union of Serbia & Montenegro, and the station proposes to open transmission windows for the northern network on their new transmitters, which will boost news reach in the north. MBC's general news transmission has shown a stronger gain than that of any of its competitors; this is due in part to its IREX-funded subscription to the APNTV news service, a growing stringer network in Montenegro and in-depth business information:



SMMRI comparative analysis on news stations' main news programs in January and April 2003

MBC has already successfully introduced new current affairs programs including *Ksenija*, *Ekonometar*, *Alter Ego*, *Trag*, *Quiz*, *Upitanik*, and *Kljuc*. IREX will continue to fund the production of *Ksenija* and *Ekonometar* and will encourage MBC to develop additional talk shows. To build programming quality and quality of programs IREX will work with MBC to improve the program mix by expanding in-house production, outsourcing some program production, and increasing its program acquisition budget to buy more/better programs.

IREX will also provide training to MBC's business/marketing and editorial management on utilizing strategic management. Rich McClear will work on this and other management issues in a three-month assignment at the station. Additional MIMP funds will be used to further upgrade MBC's studio capacity, purchase additional production/reporting equipment, recruit additional quality staff, provide critical marketing and market research, and support local program production.

IREX plans to assist the station in workplan year 3 are as follows:

- Establishment of office/studio in Belgrade for reporting the Union;
- Additional PR campaign to raise awareness of MBC;
- Strategic management training;
- Design and production training;
- Equipment purchases for studios and transmission;
- Program purchases (APTN news service, films/series, regional news exchange).

b.) *Monitor* - The oldest Montenegrin weekly magazine, after a short period of stagnation, has come back on stream as one of the most influential media outlets in the country. The latest print survey confirms that *Monitor's* overall quality has increased and that the paper is seen as a key opinion maker. And MSI 2002 says on *Monitor*: "Most media outlets avoid such sensitive issues as corruption, abuse of power, mismanagement, human trafficking, and so on. The MINA news agency and the weekly *Monitor* are considered two exceptions. In November, *Monitor* published a report on the widespread problem of human trafficking. The report included the exclusive testimony of a female victim of forced prostitution. As a result of this story, several high judiciary and law-enforcement officials were arrested, including the Montenegrin deputy prosecutor." Since the publication of the trafficking story, almost all media have reported scandals of the kind and beyond.

<i>Monitor</i>	2002	2003
Reporting top issues	3,49	4,02
Investigative approach	2,8	3,38
Reliability/accuracy	3,13	3,89
Political impartiality	2,79	3,65
General objectivity	3,05	3,5

* **Scores** on a scale 1-5. **Source:** MMI/Damar 2002

Having undergone an editorial policy change, *Monitor* now reports top issues in a much more authoritative way. By providing more information from Belgrade on Serbia and the new state union, *Monitor* is able to avoid limitation of scope that a mere concentration on Montenegro would mean. The magazine still has an old fashioned and unexciting design because of limited printing facilities, but *Monitor* does plan to update their website as the online edition has a remarkable number of visits. If only half of the Internet readers bought a subscription, *Monitor* would generate a decent amount of income from this source.

IREX proposes to invite an expert to help *Monitor* improve its marketing and to develop its website in order to use it as marketing instrument to gain additional readers.

c.) *MINA* - The independent MINA news agency is another MIMP success story. Led and majority-owned by two young entrepreneurs, Jasa Jovicevic and Danilo Cetkovic, this outlet keeps making headway and headlines by setting the media's agenda and its tone. The agency's "hit" rate is impressive and credits in the media became most visible with key investigative stories on crime and corruption scandals, political controversy and market opportunities. MINA is also satisfying the ever-growing demand for business and economic reporting that has been created by IREX-trained economic journalists and has led to the growth of dedicated business sections in all media. And MINA's achievements are recognized:

"Generally speaking, Montenegrin journalism has a strongly manifested political character. Political issues have primacy over others, especially economic ones. The business reporting by the MINA news agency has started to change things in a positive direction. The agency has influenced most media to introduce dedicated economic pages and programs. Compared with a year and a half ago, when no Montenegrin paper had a dedicated economic page, today it is difficult to find a paper without it."

"There is one news agency in Montenegro, MINA, that supplies media with general and economic news. Panelists consider MINA the primary source of information in Montenegro and deem its influence positive. MINA's reporting is regarded as fair and balanced, but the network of republic-wide correspondents is limited, which results in a lack of coverage for important events in remote areas."

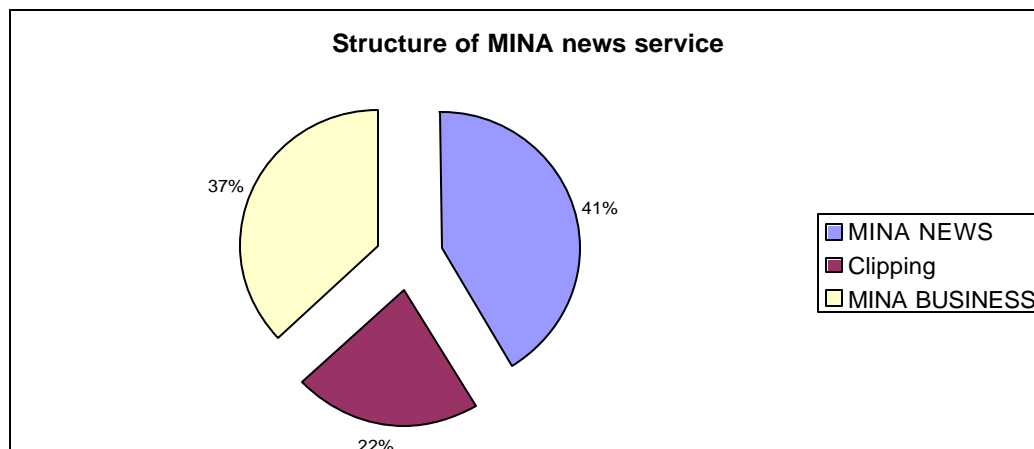
(Source: MSI 2002)

MINA is not only a well-run company but is also known for its innovative management. The Editor-in-Chief and the editor of the business service became five-percent shareholders each after fulfilling tough performance criteria set together with IREX. A third candidate, the business manager, was unable to meet the criteria and subsequently left the news agency.

Over the course of the next year, MINA plans to finally reach sustainability, a goal that was thwarted this year because of the additional costs related to the value-added tax (VAT) that was introduced in Montenegro in April 2003.

Under this workplan, IREX will assist MINA with the development of its planned audio and news pictures services, and will help to upgrade the news agency's stringer representation in Belgrade to a full office with a marketing team.

MINA also plans to establish their own distribution system that will enable clients to use all MINA services without an outside supplier. In addition to making MINA's delivery system independent and secure, it will also provide MINA with a business mainstay: the creation of a second Internet service provider (ISP) to compete with the Internet CG monopoly. IREX is working to secure additional funding for this activity from Press Now and OSI.



d.) *UNEM* – UNEM member stations in the northern part of Montenegro recently formed a television network with funding from the German government. IREX proposes to support UNEM's effort to help develop the network by contributing to the purchase of the distribution mechanism from Telekom. The distribution mechanism will also allow MBC and other UNEM members like TV Panorama in Pljevlja and Fokus in Bijelo Polje to exchange programs and information with the new network and each other.

Additional assistance to UNEM is detailed under IR2, Supporting Institutions.

e.) *MMI* - IREX involvement with MMI to further its development into a strong supporting institution is described in more detail under IR2, Supporting Institutions.

The highlights of IREX's work this year with MMI will be the acceleration of cooperation with the University of Montenegro's law faculty, which houses its journalism department, and the further development of a new diploma course that will earn MMI more money through increased fees from participants. MMI's core trainers will also receive training to prepare them to teach additional special courses that will also generate more revenue for the institute.

If additional USAID funding becomes available, IREX would also work through MMI to provide training and consulting to RTCG during the restructuring process. MMI would be appointed as a lead consultant for RTCG to assist with its transformation into a public service broadcaster, and would provide in-house training on developing story ideas, monitor and analyze output, and help to establish editorial guidelines and a stylebook.

f.) B92 - Belgrade-based TV B92 intends to expand its operations into the Montenegrin television market and the station will apply for a license as soon as the Broadcasting Agency opens the frequency tender. Upon receipt of a broadcast license, the station is scheduled to receive USAID funding through MIMP for the planned expansion. This funding will be in addition to the existing MIMP CA budget ceiling, and IREX will work with USAID to amend the CA as appropriate to allow for this activity.

The central aim of the B92 expansion project is to fill the gap in the information flows between Serbia and Montenegro. B92's reputation for independent and unbiased news production will be of key importance in this process. This is expected to help diffuse possible tensions in and between the two entities. In addition, several Montenegrin outlets have saluted this intention, thinking that B92's broadcasts will help increase professional standards of Montenegro's broadcast media scene.

Based on technological requirements, the B92 expansion project can be divided into phases:

Transmission launch

B92 will hire a transmission expert to prepare technical documentation with which B92 will apply for temporary licenses to the Montenegrin Broadcast Agency according to the new Montenegrin legislation. The initial transmission launch will involve simple relay of B92 Television's program to Montenegrin audiences via seven transmission locations in (by order of priority) Podgorica, Cetinje, Budva, Bar, Niksic, and Berane.

Studio adaptation

In tandem to obtaining broadcast licenses, B92 would lease and adapt a small news studio to enable future program production and exchange with Belgrade. A small news studio is required in order to apply for a permanent broadcast license in Montenegro. This studio renovation would involve the purchase of basic production and master control equipment. Local Montenegrin staff will be hired and trained in Belgrade.

Program exchange with Belgrade

It is expected that the daily exchange of programs in the first year will amount to at least 15 minutes daily of news content and 30 minutes weekly of current affairs programming.

1.3.2 Albanian Language Efforts

The Albanian population in Montenegro comprises 7% of the total population, or roughly 50,000 citizens. This small ethnic group is influential in business and politics along the border with neighboring Albania and a growing number of Montenegrin media serve them. IREX has been supporting Radio Mir and TV Teuta, one of two local Albanian TV stations, and *Kronika*, a successful magazine in Ulcinj.

Kronika has made good use of IREX's editorial and management training and is keen on improving its marketing. It has stated that the overall development of the magazine will follow the new marketing concept defined with the assistance of an IREX consultant. Key objectives are:

- To boost circulation and reduce printing costs
- To enhance awareness (and subsequently generate higher revenue) by stronger presence in media and through advertising activity (self-promotion)
- To improve quality, expand the number of pages and increase print run
- To establish and improve co-operation with members of Montenegropress and other media partners in the region

- To establish good co-operation and synergy with other media like MBC (joint program production, marketing, etc)

IREX plans to support *Kronika's* activities with a subgrant for marketing and circulation development. IREX also proposes to continue to assist MINA with its Albanian-language service, which uses the KosovaLive news service to enrich the regional file.

1.3.3. Roma

The Democratic Roma Center (DRC) has managed to put together approximately 100 programs with Antena M and IREX proposes a subgrant to continue assistance to them. The radio shows inform the public about the life and problems of the Roma population in Montenegro, but also raise awareness of their contributions to society. The programs will be produced in the Roma language and in Serbian to reach a larger audience.

INTERMEDIATE RESULT 2

Supporting Institutions Function in the Professional Interests of Independent Media

Background: While IREX, other donor organizations, and USAID implementers can conduct training, provide consulting, and advocate for the rights of independent media, sustainable media development is not possible without actively engaged Montenegrin institutions. Required supporting institutions include trade associations that support the rights of broadcasters and publishers and promote professional development; NGOs and journalist associations that support free speech rights; and indigenous organizations that provide training.

IREX will focus its efforts on the Union of Independent Electronic Media (UNEM) and the Montenegrin Media Institute (MMI). Consulting and small, targeted grants will make up the core of IREX support for these institutions. IREX will also work with the Association of Young Journalists (AYJ) and other organizations that may prove capable.

INTERMEDIATE RESULT 2 ACTIVITIES

2.1.1 UNEM Provides Training to and Representation for Independent Broadcasters

Independent media are beginning to recognize the importance of lobbying as a group, advocating for their interests, and protecting their rights, and are of the opinion that UNEM has effectively done this work on behalf of its members. UNEM has served as one of the leaders of the media reform process, not only by drafting alternative legislation but also by bringing together key stakeholders and conducting a public awareness campaign on the significance of the media law reform.

Effectively led by coordinator Ranko Vujovic, UNEM has been at the heart of the implementation of media laws since the dissolution of the Information Secretariat in February 2003. Vujovic is also a leading member of the Working Group charged with ensuring the media law implementation, and is a member of the newly established Council of the independent Broadcasting Agency. At his behest, IREX was selected as the Working Group's contact for the international donors involved in the implementation process, an important task in making this undertaking a final success. UNEM's continuing part in media law implementation is detailed under IR3.

UNEM also provides other services to its 21 members. Local UNEM radio stations have received IREX training in both news and programming under previous workplans and most of these stations have experienced an increase in audience share as a result of their increased professionalism and their efforts to target listeners. These positive changes point to opportunities for the UNEM stations that IREX assists, particularly in audience development.

Stations have large numbers of people listening but there is little station loyalty, people are still testing stations to decide on new favorites. In this type of a market there are great opportunities to develop brand loyalty by increasing the amount of time spent listening to specific station(s). This can be done by smart stations in several ways.

- Stations should look at their demographics carefully and strengthen their appeal to these demographics. Further news training should be directed at customizing news and clusters of stations should be chosen for training together that have similar appeal to listeners.
- Stations should seriously work on formatting music. With the fragmentation of the market, stations should work on tuning their entertainment programs to fit the listener.
- Stations should engage more in on-air forward promotion to increase time spent listening. They also need to better identify themselves. Those without RDS banners for car radios should consider getting them and all stations need to mention the station's name more often.

The numbers clearly show an advantage to UNEM as a package if UNEM is interesting in selling it. The total UNEM radio network could be the most comprehensive buy in the country. Also, within UNEM there is the ability to build packages. For instance, if you remove Elmag, Panorama, and Boje from the package you have a strongly male-dominated listenership. If you create a package with Elmag, Panorama and Boje, you have a listenership of younger women.

As part of the Year 3 workplan, IREX will provide assistance to UNEM to develop the association as a marketing network for its member stations. IREX will also offer more training in local radio sales individual UNEM stations and may consider helping Radio-TV Panorama develop a local/regional sales network through UNEM to help the northern stations.

2.1.2 Small Grant for Group News Agency/Program Purchase

One of the benefits of associations is the ability to reduce costs through joint efforts or group buys. UNEM will facilitate the exchange of regional and international programs between MBC and the UNEM-led network.

During MIMP Year 3, IREX will fund 65% of the purchase of Serbian and Albanian language services from MINA news agency and/or BETA news agency. IREX will require UNEM to collect partial payment for the services (45%) from members in the form of membership fees leading to an end of the IREX subsidy. UNEM currently charges a membership fee of ten Euro per month.

2.1.3. Small Grants for Development of UNEM

Since UNEM has only started to collect a small membership fee from its members this year, IREX will award them a small grant to cover a portion of operating costs (e.g., rent, electricity, communication costs), and to pay the salaries of a coordinator, program officer and finance/office manager from May 1 to July 15, 2004.

2.2 Publishers association (Montpres) represents the interests of independent media outlets

IREX recommends no activities under Intermediate Result 2.2 for MIMP Year 3 due to the inactivity of the organization.

2.3 Indigenous Training Institutions Provide Journalism Training (MMI)

From January 2002 through September 2003, MMI successfully organized 53 training courses and workshops for 448 journalists and other media professionals. The training was conducted by both foreign (31 courses) and domestic (22 courses) lecturers/trainers. As a member of the Network for Professionalism in the Media of South-Eastern Europe, MMI also participated in the organization of regional training for 77 Montenegrin journalists and other media professionals outside of the country.

During 2003, 10 eminent Montenegrin journalists participated in a special MMI training of trainers (ToT) course delivered by instructors from the Danish School of Journalism, which is a strategic partner of the Institute. Seven of the trained journalists now make up the core team of teachers/lecturers for MMI's Journalism School for Beginners (diploma course), while all 10 are engaged in general training for journalists who work in Montenegrin media. The two basic aims of the pilot diploma course were to train a critical mass of Montenegrin journalism trainers, and to develop the skills of a critical mass of journalists. Early results of the course indicate that the project was a success.

Through its training activities, MMI has made a significant effort to increase the level of professional skills and knowledge of Montenegrin journalists and other media professionals. The Institute has also improved professional and ethical standards in Montenegrin media and laid the groundwork for self-regulation by adopting a code of ethics. By organizing a diploma course and increasing its cooperation with the University of Montenegro it has also contributed to the further development of formal journalism education in Montenegro.

MMI has also published two media reference books: the "Book of Montenegrin Media," which consists of all relevant data on active media in Montenegro, and the "Book of Contacts for State/Public Institutions of Montenegro," which lists information for all state and public institutions in the country. Through these books, MMI attempts to systematize the data on media, journalists, and other media professionals in Montenegro and to facilitate access to government institutions and information for the media and public in the broadest sense.

Additionally, MMI has carried out eight public opinion polls designed to determine ratings for Montenegrin media as well as

The media monitoring serves two purposes. First, it will be distributed publicly and as such, serve as an important training and evaluation tool for Montenegrin media themselves. Second, the monitoring will be used for program purposes by IREX and USAID to adequately track changes over time.

In order to measure the professionalism of Montenegrin media and their journalists, IREX proposes two separate surveys. One is a public opinion survey in order to assess media professionalism through the “public eye,” i.e., the public’s perceptions and expectations. The other survey will aim to assess the quality of journalists’ work through a methodology yet to be detailed.

CEED has had preliminary discussions with professor Gregory Pitts from Bradley University, who has expressed interest in providing technical assistance in designing the questionnaire and analyzing the survey results. IREX will try to tie this research to the IREX/USAID Media Stability Index (MSI) and develop research questions based on MSI indicators.

2.3.4 Awards

IREX feels it is important to continue offering incentives to stimulate good journalism as is customary elsewhere. MMI will replace CEED this year as the sponsor of the Business Writers Award, which will be given to the journalist who submits the best business-related news story.

2.4 Association of Young Journalists

AYJ plans to establish a one-year program of media monitoring in collaboration with the RTCG Council to help them monitor programming and assess the quality of the two 24-hour RTCG channels. This will be done based on an agreement between AYJ and the Council, and monitoring topics will be identified jointly between these two organizations.

AYJ will provide monthly monitoring reports to RTCG on items/topics that have been selected by either the Council or by AYJ analysts. Based on their findings, the RTCG Council will be able to make recommendations to editors for positive changes in the quality of reporting, program format and balance of reporting.

IREX plans to award a subgrant to AYJ to conduct this monitoring program with additional cost share from PressNow.

INTERMEDIATE RESULT 3

The Legal and Regulatory Framework Supports Free Speech and Access to Public Information

Background: The right to free speech is critical to a sustainable independent media system. Journalists in both private and public media must be free to gather, produce, and distribute information; broadcast licensing must be apolitical, fair and transparent for all media; and independent media should be treated impartially as businesses and state/public media should not receive anti-competitive privileges. This requires legal, regulatory and constitutional protections; a fair, effective, and impartial judiciary; and effective independent monitoring and publication of rights.

Driven by independent broadcasters, Montenegro’s emerging civil society has gained a remarkable victory in reforming media laws by spearheading an inclusive and transparent drafting and implementation process that has resulted in exemplary legislation in line with modern European standards.

The Union of Independent Electronic Media of Montenegro (UNEM), encouraged and supported by IREX, in 2001 broke through years of government reform apathy by promoting the latest Council of Europe (CoE) recommendations on broadcasting regulations at a roundtable discussion in Podgorica. The move advocated an independent broadcasting agency and the transformation of state media into public service

broadcasters. But UNEM went on step further in setting the agenda by submitting its own draft broadcasting law to the public.

Government greeted this first submission of an alternative draft law with suspicion but soon bowed to the pressure and convened a working group comprising all stakeholders: the Information Secretariat, the Ministry of Economy, the NGO community and private and public media. UNEM joined this body and began cooperating with the government thus securing quality bills that had a fair chance of being debated in Parliament.

In eleven months of hard work, backed by IREX consultant Hendrik Bussiek and aided by public debate and comments from international establishments including CoE, Article XIX and Covington & Burling, the working group produced

- A new Media Law scrapping unreasonable restrictions of press freedom and introducing the right of reply;
- A Broadcasting Law establishing a truly independent broadcasting regulator; and
- A Public Broadcasting Law transforming the state's broadcast media into a broadcaster accountable to the public.

The set of laws had one objective in common, to ensure that politicians in partisan Montenegro would lose their control over key media overnight.

When Parliament passed the bills in September 2002, however, it delayed implementation by eight months for technical reasons. UNEM joined the Information Secretariat in protest by calling a daily transmission embargo of TV and radio stations for several weeks. As a result, the newly elected assembly stopped their delaying tactics and paved the way for immediate implementation.

The implementation of the new media legislation is now in full swing and IREX and UNEM have proposed an implementation plan that was accepted by all stakeholders, including international donor organizations that will provide the required funding. Below IREX proposes actions to make sure the implementation moves forward as smoothly as possible.

INTERMEDIATE RESULT 3 ACTIVITIES

3.1 Legal Framework Protects the Right to Gather, Produce, and Disseminate News

3.1.1 Promoting Right of Access to Information

Article 4 of the Media Law provides that information at the disposal of legislative, executive and judicial authorities, as well as companies and institutions entrusted with public services, will be available to the public under a separate Law on Free Access to Information. IREX has contributed to the development of a draft law which was acknowledged by the Council of Europe of being in compliance with European and other international standards. A working group is in the process of finalizing the draft and passing it on to government.

MIMP plans to supplement the legislative process with advocacy activities such as advertising and (after the law is passed) an awareness campaign on authorities' duties and the public's new rights.

3.1.2 Implementation of Code of Professional Standards

Since September 2003, an organization for the self-regulation of media and the promotion of journalistic professional standards has been set up and a coordinator has been appointed. The purpose of the self-regulatory body is to avoid legislative regulation of ethical issues, as was the wish of the government during negotiations on the new Media Law. It is essential that self-regulation is successful to prevent government officials from introducing more stringent rules and placing media under tighter control.

To this end, IREX will support and fund the following measures:

- A stable administration to ensure efficient processing of complaints and other activities;
- Skills transfer to the coordinator through international exposure and on-the-job training;
- Roundtable discussions to report back to stakeholders;
- Further campaigns to make the public aware of the complaints procedures;
- Regular surveys on the credibility of media in Montenegro to measure the degree of professionalism.

Additionally, IREX plans to contract an international consultant with experience in the field of media self-regulation to assist the new coordinator.

3.1.3 Promoting Employment Rights of Media Workers

Journalists in Montenegro are unprotected and the majority of them work for minimal salaries without contracts, insurance or other workers' rights and benefits. For independent media development, this is particularly troublesome because it represents a means by which state and private media can limit journalists. IREX will work with AYJ, UNEM and others to promote the rights of journalists. This work will take the form of training seminars and workshops to educate the journalism community about their existing rights and to teach them ways in which to lobby for additional rights.

3.1.4 Anti-monopoly Legislation

Article 5 of the Media Law disallows "a monopoly ... in performing media activities" and refers to a "separate law" to be developed. Such legislation will give Montenegro the chance to promote competition in the media market and avoid over-concentration of control/ownership. IREX has contributed to the debate by presenting a discussion paper on the issue and a working group is being established to draft appropriate legislation. IREX will contribute further by way of consultancies.

3.1.5 Decriminalization of Libel Laws

There is a need for the decriminalization of defamation and libel in Montenegro. Provisions on the criminal statute book will be replaced by civil legislation which provides for the award of damages. The urgency of the matter is underpinned by court actions initiated by the government in September 2003 against the daily Dan to further strangle critical news coverage and comment, which is perceived as hostile to the government.

IREX will help to establish a working group whose task will be to draft appropriate amendments to the law. IREX will assist the development of the draft legislation through professional consultancies.

3.2 Media Licensing is Fair and Apolitical

The Broadcasting Agency (BA) - the independent regulatory body for the broadcasting industry in Montenegro and a core element of media reform - is fully operational and the government has committed itself to provide initial funding, as stipulated by the Broadcasting Law. The amount pledged - €200.000 – is hardly sufficient to cover all the expenses and the BA thus remains highly dependent on the good will of the international community.

The BA council and staff will require ongoing advice on how to handle the set of regulations they have created and how to develop further rules – without strangling the industry with too many detailed and bureaucratic demands. Many people in Montenegro – the staff of the Agency is no exception – are still influenced by authoritarian mindsets and thus are tempted to over-regulate. The Agency acknowledges IREX as a trustworthy interlocutor that is able to provide continuous professional advice and guide its Council and staff in the right, democratic direction. Therefore, IREX will continue to provide consulting and training to the Agency.

A problem of special concern is the transformation and restructuring of the Broadcasting Centre, the signal distribution arm of the Broadcasting Agency. Professional business consultancies will be

necessary to downsize the Centre and create a cost-effective body whose services are affordable to the private broadcasting sector.

As an institution serving the public, the Broadcasting Agency should operate in a transparent fashion and should be accountable to civil society on a regular basis. Therefore, IREX will facilitate roundtable discussions during which the Agency's councilors and staff will present reports and respond to all questions raised by the public.

IREX will also facilitate the BA councilors' travel to countries in the region to establish cooperation with their regulatory bodies, coordinate broadcasting spectrum, and define frequencies which need international coordination (overlap/interference). IREX will also fund study trips for three BA council members to the United States and/or selected EU countries.

3.3 Indigenous Non-Governmental Institutions Represent Rights of Media Outlets and Journalists

3.3.1 Support for Legal Monitoring

IREX consultant H Bussiek will continue to monitor progress in conjunction with AYJ and other organizations as necessary.

3.3.2 Media Forum

In June 2003, the Working Group of the Joint Initiative took up an IREX idea to bring together representatives from more than 100 NGOs from throughout Montenegro that are interested in the transformation process of the local broadcasters into public broadcasters. The purpose of this meeting was to develop a permanent structure to deal with not only broadcasting but with all media issues, so as to ensure a degree of decentralization of media policies. This structure – known as the Media Forum – will register as an NGO in order to become the successor organization of the Working group and to continue media reform efforts beyond the actual implementation of the new media legislation. In addition, the group will enhance efforts to strengthen civil society at large.

The Media Forum will have the following objectives:

- To instill a culture of freedom of expression and democratic way of life in Montenegro;
- To bring previously marginalized NGOs into the mainstream;
- To support the transformation process of broadcasting on a local level;
- To engage the entire NGO sector in the implementation process and to protect newly won media freedom;
- To give all interested NGOs access and exposure to the media;
- To identify and promote local talent for top jobs in key media institutions in order to broaden the present pool of candidates.

The Media Forum will not operate as yet another association, but will try to maintain itself as an actual forum, in the true sense of the word, for the civil society. NGOs in each of the 21 municipalities will appoint/elect one representative each who will in turn appoint a five-member committee to organize activities and to act as a watchdog on media freedom violations. The committee will employ one coordinator.

Activities will consist of fora held quarterly in different cities around the country and designed to serve as:

- a marketplace for NGOs, their ideas and activities;
- a platform to exchange ideas in the field of media reforms and reforms in general;
- a discussion forum on the state of the media in Montenegro.

IREX will support the Media Forum and its activities by providing policy advice to the Media Forum Committee and funding for the quarterly fora.

3.3.3 Local Broadcasting Reform

The Media Forum will serve as a development vehicle for the local broadcasting services, which will be formally transformed from mouthpieces of local authorities to public broadcasting services accountable to civil society in 2003. These municipal services – thirteen radio and two TV stations – need to be strengthened to enable them to serve effectively as communication instruments for and by the communities (i.e., Montenegrin community broadcasting).

To this end the Media Forum will form a core group with representatives from local broadcasting services. The group will have two main tasks:

- to organize a comprehensive training project for members of the new supervisory boards, directors and editorial and programming staff (in close cooperation with MMI), and
- to support the interests of the local broadcasting services.

The core group will be assisted by a policy adviser.

IREX will support the following local broadcasting reform activities:

- Roundtable discussions and consultancies with members of supervisory boards and directors,
- Consultancies with different councils of the services to assist in the development of editorial and program policies;
- Seminars on program management and business activities for managers;
- On-the-job intensive training for programming staff;
- Seminars for local consultants to enable them to fulfill the above tasks.

INTERMEDIATE RESULT 4

Publishers and Station Managers Manage Media Outlets as Efficient, Profit-Seeking Businesses

Background: IREX's experience throughout the Balkans has shown that well-managed media outlets can survive in weak economies and either prepare for profitability or, in some cases, become profitable. To accomplish this in Montenegro, independent media must operate as a business and not as a donor-funded project. They must also support the establishment and development of the necessary infrastructure such as regular market research/ratings surveys, efficient printing and distribution systems, news agencies, broadcast networks, and marketing cooperatives.

IREX has assisted targeted outlets to develop and implement strategic business plans by providing individualized consulting and training; to conduct consistent and reliable market research; and to train media in how to use market research to improve sales and marketing.

During MIMP Year 2, a number of partners established business/marketing plans and outlines with IREX coaching. Among the most advanced, MINA and MMI started applying these new management tools; *Monitor*, *Polje*, MBC and UNEM completed their first business plans and began using them. Since it has generally proved difficult to promote the idea of entrepreneurship in Montenegrin media, IREX efforts under MIMP Year 3 workplan will include the following activities:

- Training and education to create the right business and marketing mindset
- Ongoing support to selected media outlets, conditional on results, i.e., revenue earned/costs saved by applying IREX intervention tools
- Assistance to selected media-related associations to enhance professionalism, efficiency, and profitability
- Recruitment of appropriate marketing and sales executives
- Training for marketing and sales forces

INTERMEDIATE RESULT 4 ACTIVITIES

4.1 Independent Media Utilize Strategic Business Plans

IREX will organize a series of training seminars and workshops in strategic management/marketing for media in order to create more efficient and profitable businesses. The training will focus on the following:

- What to expect in the future especially in the areas of competition, technology and audience changes.
- Understanding a marketplace. Understanding changes in demographics, lifestyles, economics, and the ways in which consumers use information.
- Defining strategy of the media outlets. Understanding business plans. Link between strategy and day-to-day operations. Strategy to competitors, customer analyses.
- Leadership, visionary leadership, leadership style, individual and team motivation, coaching and building a team.
- Media brand management. Train media managers to have a mindset that will enable them to create relevant and differentiated concepts for customers. A winning media brand helps aggregate audience share.
- Understanding a human resource policy and how to attract and keep the best people as they are the best assets.
- Negotiation, decision making and conflict resolution.
- Marketing strategies.
- Analysis of clients' needs.
- How to take advantage of competitors' weaknesses.
- How to use the strengths of your company.
- Sales strategy and presentation.
- How to empower sales staff and motivate them with incentive compensation packages in order to reach sales goals.

IREX will also support:

- Regional training activities. Regional training seminars or workshops will promote exchange of experiences among media outlets, networking, program exchange and better cooperation among the media in the region;
- Site visits to successful media outlets in the region and abroad to stimulate networking, exchange of knowledge and better cooperation;
- Production of promotional materials for targeted media.

4.1.1 Training in Strategic Management/Marketing

IREX will conduct workshops and seminars for senior managers at selected media outlets (see topics listed above). Training on business planning will be offered to decision makers and will include a discussion of a range of issues including: business plans as an instrument of success; what does it cover; why is it important; how to use it; financial indicators etc.

The marketing concept of many media managers is probably best illustrated by the fact that they headline their advertising space "marketing." In order to encourage and develop a correct marketing mindset and turn this into competitive advantage, IREX proposes a seminar at MMI in conjunction with the Danish School of Journalism (DSJ) and leading advertising agencies from Belgrade.

Stations also need more training in local radio sales. IREX will identify trainers who have provided seminars in Eastern Europe and will translate existing radio sales training material into Serbian. Despite UNEM's marketing problems, a joint effort could bring some return to stations; this marketing development activity is probably best carried out by an advertising agency that represents stations on a strictly business basis.

IREX Podgorica staff will work with CEED, MMI, DSJ, and UNEM to develop and implement these training activities.

4.1.2 On-Site Consulting to Improve Business Management

In addition to the training activities mentioned above, CEED consultants and IREX staff will be assigned to follow up with the selected media and help them make their business plans viable. This would involve regular meetings with media management, monitoring the implementation of the business plan, identifying specific needs, analyzing market research, and assessing media profitability. IREX will award a subgrant to CEED to cover six months of consultations to selected media. This will allow for future cooperation among CEED consulting teams and the media supported by IREX.

4.2 Independent Media Utilize Market Research

4.2.1 Market Research

IREX will continue to commission market research semiannually through MMI and will provide the findings to targeted outlets. IREX proposes semiannual research to control costs and ensure sustainability of continued research after the end of MIMP. If there appears to be sufficient interest and a contribution of funds, IREX may recommend a change in the frequency of research.

Assistance has been outlined under 2.3.3 (MMI)

4.2.2 Market Research As Sales and Marketing Tool

IREX will use the results of the research as a teaching tool for managers from targeted outlets. Through several training sessions and one-on-one consulting at targeted outlets, media will develop an understanding of how to use research to enhance their marketing campaigns, how to raise sales, and how to adjust their programming/content to increase audience share. One of the trainings will bring together advertisers/agencies and media to discuss the needs of advertisers, how they use market research, and how they can work better together.

INTERMEDIATE RESULT 5

Transformation of RTCG into a Public Broadcasting Service

Background: Since the beginning of the Montenegro Independent Media Program, IREX has been promoting the development of independent, private media in Montenegro by providing assistance to media organizations such as UNEM, MBC, MMI, and MINA. A central part of this effort has been the process of developing a democratic media and broadcasting policy, advocating for appropriate media legislation, and, since the beginning of 2003, pushing for the implementation of new media laws.

The legislation adopted by the Parliament ensures a balanced broadcasting landscape with healthy competition among the various sectors. The former state broadcaster RTCG is now in the process of transforming to a public service broadcaster, and IREX has the opportunity to play an active role in the creation of a truly public broadcaster.

In a republic like Montenegro, a public broadcaster is indispensable for the development of a democratic culture. RTCG covers the entire country while private broadcasters tend to concentrate on urban areas for commercial reasons. RTCG is essential for the ongoing reform processes in Montenegro as it can provide a continuous forum for debate and exchange of information.

According to its Program Principles RTCG will

- provide public services for information, education, culture, art, entertainment and sport;
- stimulate, maintain, and promote diversity, and richness of living and cultural reality in Montenegro;
- deal with events in Montenegro, the region and wider, timely, comprehensively, impartially, and accurately in a balanced manner, supporting the fair and constructive dialogue on local, regional and national level

- offer educational program with general and specialized contents;
- ensure a high standard of program for children and youth;
- provide a proportional range of programs for members of national and ethnic communities in Montenegro.

RTCG's new organisational structure safeguards its independence from political influence; the station is controlled by an eleven member Council representing civil society through nominees from the university, academy of science and arts, theatre and museum bodies, associations of journalists, employers' associations, trade unions, human rights NGOs, sports NGOs, education and social NGOs, and organizations that promote the rights of minority groups. Members of parliament, government officials, and political party officers are expressly excluded from membership. This structure positively distinguishes the Montenegrin model from other attempts at broadcasting reform in Southeast Europe, e.g. in Croatia, Serbia or Kosovo.

RTCG's funding derives from a mix of revenues such as fees paid by the audience (as a levy to the telephone bill and as a tax on radio receivers in cars), production and sale of audio-visual works, sponsorships, the budget of the Republic (for special educational and minority programs) and advertisements (the broadcasting regulatory body will strictly limit commercials and is aiming to have prime time free of advertising). This mix ensures that RTCG will not have a major advantage in the advertising market and cannot outdo the private competition – thus a level playing field is ensured.

To prepare RTCG's editorial staff for the future as employees of a public broadcaster, they received more than a year of training provided from the BBC and ZDF, financed through funds from the European Union. Except for the refurbishment of RTCG's newsroom, which was provided by ZDF, the results are hardly tangible because the project was ill-timed -- it started before the new legislation was developed let alone passed. The training tried to produce public broadcasters under the conditions of a state broadcaster – an approach which was doomed to failure from its very outset. The same goes for attempts to restructure the hopelessly overstaffed organization. Without proper legislation and no independent board in place, the project was met with total resistance from RTCG.

In February 2003, the newly appointed RTCG Council asked IREX to assist in the transformation process. IREX will do so through consultancies in order to ensure a successful new model that can serve as an example to the entire region and beyond.

So far, IREX has helped to draft basic documents including a statute and program principles, and has rendered continuous formal and informal advice on issues such as the restructuring of the organization and programming options. IREX also provided *ad hoc* assistance to keep RTCG afloat by devising and implementing measures such as benchmarking and proper output monitoring to enhance quality, and providing training on change management as well as consulting advice on cutting staff numbers and other cost saving measures.

Last year RTCG had a budget of approximately 11 million EUR at its disposal, which breaks down into roughly half of the amount subsidized by the state, 30 percent provided by subscriptions and 20 percent earned in advertising income. This year the station is said to be struggling to meet its obligations due to lower subsidies, fees and commercial revenue. The bloated institution employs a staff of well over 1,000 and is said to owe pension contributions for many years. The question of finance for necessary retrenchment is open.

The RTCG Council and its newly appointed Management Board now regard IREX as highly trusted key institution well placed to assist with the transformation process and make it a success.

INETERMEDIATE RESULT 5 ACTIVITIES

5.1 Re-engineering Project

To ensure success of the reform, a professional change management project is to be devised within which the re-engineering of RTCG will be planned and implemented. The entire new leadership of RTCG must take ownership of the change and support the concept. A project leader will be appointed who is accountable to RTCG's top bodies.

During the lifespan of the MIMP project and beyond, two advisers will work directly with the Council, Board and management of RTCG on an ongoing basis for the transformation period of two years. One (management) adviser will be in charge of the restructuring (i.e., down-sizing) of RTCG; the other (program advice) adviser will direct the programming (content) changes by organizing training and consulting. IREX consultant Hendrik Bussiek will continue his very successful work as the transformation adviser with consultancies on policy issues and overall objectives, and will develop a training-of-trainers project for program content.

Such a broadening of MIMP's mandate will enable and empower IREX to show that it has the capacity not only to assist in the development of the private broadcasting sector but also in the transformation of state-owned propaganda machines into public broadcasters suitable for democratic societies.

5.2 Management Advice

The objective is to further develop and implement a business plan to transform the organization into a lean and effective set up. The management adviser will be an expert in change and reform management and will cooperate with the top structures of RTCG. In addition, he/she will provide necessary skills transfer to senior and middle-level management.

5.3 Program Advice

The objective is to reform the program output according to RTCG's program principles, which were adopted by the Council in compliance with international standards for public broadcasters, and the program adviser will cooperate with the top structures of RTCG. The program advisor will organize and conduct training in close cooperation with the Montenegro Media Institute (MMI) -- 70% of the training activities will be on-the-job training and 30% will be classroom training. Detailed training schedules will be developed and implemented together with the transformation adviser, who will be responsible for the creation of a critical mass of domestic trainers to assist in the transformation process.

5.4 International Exposure

In order to end the present inward-looking culture at RTCG, international experience and exposure is necessary for the top staff. This component of the project will enable key members of the top structures to go on one-week study tours to familiarize themselves with similar public broadcasting organizations outside Montenegro and to promote RTCG to international media as a potential and interesting partner for program exchange and other types of cooperation.

5.5 Transformation Advice

The transformation adviser will critically evaluate all activities mentioned above on a regular basis and will implement necessary modifications or make adaptations to new developments. He will also consult with members of the top structures of RTCG on policy issues in regard to the transformation. In addition, he will participate in the design of the training programs and the development and implementation of the ToT Project.

5.6 Local Program Production

The RTCG will be allowed to increase its local TV content by outsourcing program production. This component of the project has mainly three objectives:

- To set high quality standards for TV programs;
- To help downsize the staff of RTCG;
- To develop a vibrant independent domestic television production industry.

MIMP YEAR 3 WORKPLAN BUDGET

ADMINISTRATION:

Item	Cost USD
DC Administration	122,000
Field Administration	250,000
G&A	77,316
Total Administration:	449,316

PROGRAM ACTIVITIES:

IR	Description	Cost USD
1.1	Journalist follow accepted and recognized professional standards	54,000
1.2	Independent media provide comprehensive news and public affairs coverage	54,000
1.3	Facilities and equipment for gathering, producing and distributing news are modern and efficient	141,507
Subtotal - Intermediate Result 1		249,507
2.1	Broadcasters association provides training to and representation for independent media	40,000
2.2	Publishers association (Mont press) represents the interests of independent media outlets	0
2.3	Indigenous training institutions provide journalism training	45,000
Subtotal - Intermediate Result 2		85,000
3.1	Legal framework protects the right to gather, produce and disseminate news	27,000
3.2	Media licensing is fair and apolitical	93,000
3.3	Indigenous non-governmental institutions represent right of media outlets and journalists	14,000
Subtotal - Intermediate Result 3		134,000
4.1	Independent media utilize strategic business plans	25,000
4.2	Independent media utilize market research	10,000
Subtotal - Intermediate Result 4		35,000
5.1	Transformation of RTCG	36,000
Subtotal – Intermediate Result 5		36,000
Total Program Activities:		539,507
TOTAL GOVERNMENT FUNDS		<u>988,823</u>

Activities not included in Year 3 Workplan budget:

1) TV B92 Expansion Project	
(Described under IR1.3, no funds included in MIMP Year 3 budget)	
Additional Funds Required (as agreed between USAID and B92)	350,000
2) RTCG Restructuring Project (duration two years)	
(Described under IR5.1, limited funds included in MIMP Year 3 budget)	
Additional Funds Required (see provisional budget next page)	450,000

Budget for New RTCG Restructuring Project:

Item	Y1+2		Y1	Y2
	US\$	US\$		
Management advice				
Salary 7000 x 24	168.000		84.000	
Housing 900 x 24	21.600		10.800	
Travel (incoming/outgoing, home leaves) 4 x 600	2.400		1.200	
		192.000	96.000	96.000
Program advice				
Salary 7000 x 24	168.000		84.000	
Housing 900 x 24	21.600		10.800	
Travel (incoming/outgoing, home leaves) 4 x 600	2.400		1.200	
On-the job training (foreign experts – 160 mandays, incl travel and accommodation)	79.000		35.000	
MMI training short courses (12 one week courses)	54.000		25.500	
MMI additional diploma courses	170.000		35.000	
Training of Trainers (4 one week courses)	18.000		9.000	
		513.000	200.500	312.500
International exposure				
Air travel 20 participants 600 each	12.000		6.000	
Accommodation and per diem 20 x 7 x 250	35.000		17.500	
		47.000	23.500	23.500
Transformation advice				
8 14-day missions consultant (travel and honorarium)		63.000	30.000	33.000
Local programme production (outsourced)				
Production costs		500.000	100.000	400.000
Total		1.315.000	450.000	865.000

Subtotal – Intermediate Result 5 (Years 1+2)

\$1,315,000